Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

1. (Currently amended) A method for controlling the distribution of expiring free postage value in a PC postage system, comprising the steps of:

transferring a first portion of said expiring free postage <u>value</u> to a postage meter; storing a second portion of said expiring free postage <u>value</u> in a free postage account; and <u>resetting resetting a</u> balance of said free postage account upon expiration of said free postage <u>value</u>.

- 2. (Currently Amended) The method of claim 1 further comprising the step of establishing minimum threshold for said postage meter and transferring a block of postage <u>value</u> from said free postage account to said postage meter when balance of said postage meter is less than or equal to said threshold.
- 3. (Original) The method of claim 2 further comprising the step of decrementing said free postage account in accordance with said block of transferred postage.
- 4. (Currently Amended) The method of claim 1 further comprising the step of storing purchased postage <u>value</u> in an available postage account.
- 5. (Currently Amended) The method of claim 4 further comprising the step of utilizing said expiring free postage <u>value</u> before said purchased postage <u>value</u>.

-3-

- 6. (Currently Amended) The method of claim 1 further comprising the step of displaying <u>a</u> sum of total expiring free postage <u>value</u> and purchased postage <u>value</u> in an available postage field.
- 7. (Original) The method of claim 6 further comprising the step of decrementing said available postage field in accordance with a print transaction.
- 8. (Currently Amended) The method of claim 7 further comprising the step of utilizing said expiring free postage <u>value</u> before said purchased postage <u>value</u>.
- 9. (Currently Amended) The method of claim 1 further comprising notifying user upon expiration of said free postage <u>value</u>.
- 10. (Currently Amended) The method of claim 1 further comprising the step of storing purchased postage <u>value</u> and balance of the postage meter in a descending register.
- 11. (Original) The method of claim 10 further comprising the step of decrementing descending register in accordance with a print transaction.
- 12. (Original) The method of claim 1 further comprising the steps of determining whether postage meter balance is equal to or greater than a predetermined threshold.
- 13. (Currently Amended) The method of claim 12 further comprising the step of transferring a block of free postage <u>value</u> from said free postage account to said postage meter in accordance with said threshold determination.

- 14. (Currently Amended) The method of claim 1 further comprising the steps of determining validity of said expiring free postage <u>value</u> in response to receipt of a print postage request and wherein said free postage account is reset in accordance with said validity determination.
- 15. (Currently Amended) The method of claim 14 further comprising the step of determining whether balance of said free postage <u>value</u> is equal to or greater than <u>a</u> value of requested postage and transferring a block of free postage <u>value</u> from said free postage account to said postage meter in accordance with the amount determination.
- 16. (Original) The method of claim 15 further comprising the step of decrementing said free postage account in accordance with the transferred postage.
- 17. (Original) The method of claim 15 further comprising the step of generating print image in accordance with said amount determination.
- 18. (Currently Amended) The method of claim 14 further comprising the step of determining whether balance of total purchased postage <u>value</u> and free postage <u>value</u> is equal to or greater than value of requested postage.
- 19. (Original) The method of claim 18 further comprising the step of generating error message in accordance with said amount determination.
- 20. (Original) The method of claim 18 further comprising the step of generating print image in accordance with said amount determination.
- 21. (Currently Amended) A method for controlling the distribution of expiring free postage in a PC postage system, comprising the steps of:

storing said expiring free postage value in a free postage account;

transferring a portion of said expiring free postage <u>value</u> from said free postage account to a postage meter in accordance with a print postage request; and

resetting balance of said free postage account upon expiration of said free postage value.

- 22. (Currently Amended) The method of claim 21 further comprising the step of decrementing said free postage account in accordance with said transferred postage value.
- 23. (Currently Amended) The method of claim 21 further comprising the step of displaying sum of the expiring free postage <u>value</u> and purchased postage <u>value</u> in an available postage field.
- 24. (Original) The method of claim 23 further comprising the step of decrementing said available postage field in accordance with a print transaction.
- 25. (Currently Amended) The method of claim 24 further comprising the step of utilizing said expiring free postage <u>value</u> before said purchased postage.
- 26. (Currently Amended) The method of claim 21 further comprising the steps of determining the validity of said expiring free postage value in response to receipt of said print postage request, wherein said free postage account is reset in accordance with said validity determination.
- 27. (Currently Amended) The method of claim 26 further comprising the step of determining whether balance of free postage account is equal to or greater than value of requested postage and wherein the step of transferring a portion of the expiring free postage <u>value</u> to said postage meter comprises transferring a portion of the expiring free postage <u>value</u> in accordance with the amount determination.

- 28. (Currently Amended) The method of claim 27 further comprising the step of decrementing said free postage account in accordance with the transferred postage value.
- 29. (Original) The method of claim 27 further comprising the step of generating print image in accordance with said amount determination.
- 30. (Currently Amended) The method of claim 26 further comprising the step of determining whether balance of total purchased postage <u>value</u> and free postage <u>value</u> is equal to or greater than value of requested postage.
- 31. (Original) The method of claim 30 further comprising the step of generating error message in accordance with said amount determination.
- 32. (Original) The method of claim 30 further comprising the step of generating print image in accordance with said amount determination.
- 33. (Currently Amended) A PC postage system, comprising:

 means for storing expiring free postage <u>value</u> in a free postage account;

 means for transferring a portion of said expiring free postage <u>value</u> from said free postage account to a postage meter in accordance with a print postage request; and

 means for resetting balance of said free postage account upon expiration of said free

means for resetting balance of said free postage account upon expiration of said free postage <u>value</u>.

34. (Currently Amended) The PC postage system of claim 33 further comprising means for decrementing said free postage account in accordance with said transferred postage value.

- 35. (Currently Amended) The PC postage system of claim 33 further comprising means for displaying sum of the expiring free postage <u>value</u> and purchased postage <u>value</u> in an available postage field.
- 36. (Original) PC postage system of claim 35 further comprising means for decrementing said available postage field in accordance with a print transaction.
- 37. (Currently Amended) The PC postage system of claim 33 further comprising means for determining validity of said expiring free postage <u>value</u> in response to receipt of said print postage request, wherein said free postage account is reset in accordance with said validity determination.
- 38. (Currently Amended) A method of managing free postage in a computer postage system comprising:

generating an account to track free postage <u>value</u> separate from purchased postage <u>value</u>; receiving a request to print postage;

checking for free postage value availability;

checking for expiration of free postage value; and

setting a balance of the account to zero if the free postage value has expired.

39. (Currently Amended) The method of managing free postage in a computer postage system of claim 38, further comprising:

applying available free postage <u>value</u> to the request to print postage if free postage <u>value</u> is available; and

applying purchased postage to the request to print postage if free postage <u>value</u> is not available.